

JONES DAY  
222 East 41st Street  
New York, New York 10017  
Telephone: (212) 326-3939  
Facsimile: (212) 755-7306  
Corinne Ball  
Jayant W. Tambe  
Aviva Warter Sisitsky  
Toni-Ann Citera

Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

|  |   |                         |
|--|---|-------------------------|
| -----  | X |                         |
|  | : |                         |
| In re:   | : | Chapter 11              |
|  | : |                         |
| LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> , | : | Case No. 08-13555 (JMP) |
|  | : |                         |
| Debtors.                                       | : | (Jointly Administered)  |
|  | : |                         |
| -----  | X |                         |

**DECLARATION OF DANIEL EHRMANN  
IN SUPPORT OF MOTION OF DEBTORS PURSUANT TO  
SECTION 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY  
RULE 9019(a) FOR AUTHORIZATION AND APPROVAL OF THE GLOBAL  
SETTLEMENT AMONG THE DEBTORS AND THE AMBAC SETTLING PARTIES**

Under penalty of perjury, I, Daniel Ehrmann, hereby declare pursuant to  
section 1746 of title 28 of the United States Code:

1. I am over 18 years of age and make these statements based on my own  
personal knowledge, my review of the business records of Lehman Brothers Holdings Inc.  
("LBHI") together with Lehman Brothers Special Financing Inc. ("LBSF"), Lehman Brothers  
Derivative Products Inc. ("LBDP") and Structured Asset Securities Corporation ("SASC," and

together with LBHI, LBSF and LBDP, the "Debtors") and/or my consultation with employees of the Debtors. If called to testify, I could testify to the truth of the matters set forth herein.

2. I am a Managing Director with Alvarez & Marsal North America, LLC. I was assigned to the Lehman matter in September 2008. I am a co-head of the derivatives group for the Debtors. In that capacity, I am responsible for and manage all derivatives-related matters of the Debtors. I can testify to the following facts based on my personal knowledge and my review of the Debtors' business records.

3. I submit this Declaration in support of the *Motion of Debtors Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(a) for Authorization and Approval of the Global Settlement Among the Debtors and the Ambac Settling Parties* (the "Motion").<sup>1</sup> I have reviewed the Motion and the facts set forth therein are accurate to the best of my knowledge.

4. I have also reviewed the Global Settlement upon which the Motion is based. The Global Settlement provides a comprehensive resolution of the claims asserted by the Debtors and the Ambac Settling Parties against one another. In particular, the Global Settlement provides that: (i) the Ambac Parties withdraw any and all proofs of claim filed against the Debtors, which exceed in the aggregate \$6.1 billion; (ii) the Debtors and the Ambac Settling Parties release each other from any liability under the Ambac Insured Derivative Transactions and related policies, including the release by the Debtors of claims for payments that the Debtors believe may be owed to them; and (iii) the Debtors and the Ambac Settling Parties each agree to comprehensive mutual releases of the Parties and certain related persons of such Parties with respect to any transactions or proceedings occurring before the effective date of the Global

---

<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

Settlement. The Global Settlement also resolves the complex interplay of jurisdictional and legal issues surrounding the Debtors' chapter 11 cases in New York and the Ambac Settling Parties' Rehabilitation Proceedings in Wisconsin.

5. After consultation with various employees of the Debtors and counsel, I believe that the Global Settlement is in the best interests of the Debtors and their respective estates.

6. The Global Settlement was entered into in good faith, negotiated at arm's-length and achieves a fair and equitable result for the Debtors and their respective estates.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on this 5th day of October, 2010

/s/ Daniel Ehrmann  
Daniel Ehrmann.